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E.O. 12958: DECL: 05/19/2018 TAGS: <u>PGOV</u> <u>PREL</u> <u>MZ</u>

SUBJECT: MANAMO PARTY CHIEF MAXIMO DIAS TO RETIRE

Classified By: Charge d'Affairs Todd C. Chapman, Reasons 1.4 (b) and (d)

1. (C) SUMMARY: In a meeting with the Charge, small opposition party MANAMO leader Maximo Dias announced his retirement and the closure of his party. He spoke about FRELIMO's theft of the 1999 elections, a \$12 million offer of assistance made to RENAMO for the 2004 elections, and President Guebuza's reputation for greed. These comments parallel others' reports; however, his statement that a "Chissano group" was behind the February 5 riots lacks credibility. END SUMMARY

MANAMO Party Shutting Down

12. (C) In a late-April meeting with the Charge and Poloff, Dias said he planned to retire prior to the 2009 presidential elections. As he is the driving force behind MANAMO, it will not participate in the elections, effectively closing its doors. Dias indicated that he feels he cannot throw his support to either FRELIMO or RENAMO and sees little hope for change in the near future.

1999 Election Stolen; In 2004 RENAMO didn't want to win

13. (C) Dias, reflective after announcing his retirement, waxed poetic with stories of Mozambican politics. He opined that FRELIMO stole the 1999 elections, but that the party was initially caught flatfooted-believing the win was secure, the party did not cover the polls and had to scramble to cook the results. He said that FRELIMO would not make the same mistake in upcoming elections, leaving nothing to chance. Dias said that in 2004 he went to RENAMO leader Dhlakama with a deal that would provide \$12 million cash for his presidential campaign. Reportedly, \$5 million was to be provided by a Japanese granite mining company and \$7 million by the Portuguese consortium owning the Cahora Bassa Dam project. Dhlakama declined the money. Dias believes this is proof that Dhlakama really did not want to win the presidency.

President Guebuza Is Too Greedy -----

14. (C) Dias recounted that President Guebuza demands to be paid a 5% share of each major business enterprise begun in Mozambique as the price for government cooperation. Dias claimed that the Guebuza family maintained an interest in the local operations of Ernst & Young, Vodacom, BCI/Fomento bank, and other businesses. Dias said that the Guebuza 5% requirement is well known and that people also see this as "too greedy.

FRELIMO Faction Behind February Riots?

15. (C) Dias stated the "Chissano group" was the force behind the February 5, 2008 riots. The Chissano group consists of FRELIMO insiders including former Foreign Minister Leonardo Simao, former Prime Minister Pascoal Mocumbi, and former Rector of Eduardo Mondlane University Brazao Mazula.

COMMENT: Some Grains of Truth Amongst the Chaff

16. (C) COMMENT: Dias' manner was ranting at times and focused on history rather than the future— a marked change from previous meetings with him when he seemed politically engaged and ready to present new party manifestos and proposed laws. His claim about Guebuza's business interests has credible detail and corresponds with what multiple local business sector contacts have told us with a great deal of confidence. His assertion that RENAMO may, indeed, have won the 1999 election also tracks with interlocutors' observations. Dias' thoughts on RENAMO's lack of interest in support for the 2004 elections were an interesting twist on the rumor in some circles that Dhlakama, by virtue of his complacent ineffectual opposition, is on FRELIMO's payroll. However, we find Dias' claim that a FRELIMO faction was behind the February riots to be dubious at best. Dias is a colorful political figure who made a useful contribution as an opposition party leader. His departure further underscores the weakness of opposition political movements in Mozambique. END COMMENT CHAPMAN